

BEFORE THE DEPARTMENT OF PUBLIC  
HEALTH AND HUMAN SERVICES OF THE  
STATE OF MONTANA

In the matter of the amendment of ARM	)	NOTICE OF PUBLIC HEARING
37.86.2207 pertaining to Medicaid	)	ON PROPOSED AMENDMENT
reimbursement for the therapeutic	)	
portion of therapeutic youth group	)	
home treatment services	)	

TO: All Interested Persons

1. On February 7, 2008, at 11:00 a.m., the Department of Public Health and Human Services will hold a public hearing in the Wilderness Room, 2401 Colonial Drive, Helena, Montana to consider the proposed amendment of the above-stated rule.

2. The Department of Public Health and Human Services will make reasonable accommodations for persons with disabilities who wish to participate in this rulemaking process (including reasonable accommodations at the hearing site) or who need an alternative accessible format of this notice. If you need an accommodation, contact the department no later than 5:00 p.m. on January 28, 2008. Please contact Rhonda Lesofski, Office of Legal Affairs, Department of Public Health and Human Services, P.O. Box 4210, Helena MT 59604-4210; telephone (406)444-4094; fax (406)444-1970; e-mail dphhslegal@mt.gov.

3. The rule as proposed to be amended provides as follows. New matter is underlined. Matter to be deleted is interlined.

37.86.2207 EARLY AND PERIODIC SCREENING, DIAGNOSTIC AND TREATMENT SERVICES (EPSDT), REIMBURSEMENT (1) through (2) remain the same.

(3) The interim Reimbursement rate for the therapeutic portion of therapeutic youth group home treatment services provided on or after October 1, 2007 through September 30, 2008 is the lesser of:

(a) the amount specified in the department's Medicaid Mental Health Fee Schedule. The department adopts and incorporates by reference the department's Medicaid Mental Health and Mental Health Services Plan, Individuals Under 18 Years of Age Fee Schedule dated ~~July 15, 2005~~ October 1, 2007. A copy of the fee schedule may be obtained from the Department of Public Health and Human Services, Health Resources Division, Children's Mental Health Bureau, 1400 Broadway, P.O. Box 202951, Helena, MT 59620-2951; or

(b) the provider's usual and customary charges (billed charges).

(4) The final reimbursement rate for the therapeutic portion of therapeutic youth group home treatment services provided during state fiscal year (SFY) 2008, July 1, 2007 through June 30, 2008 will be determined by adjusting the interim rate adopted in (3)(a) for each provider so that the total amount received for SFY 2008

equals either:

(a) 100% of allowable costs if a provider complies with the cost reporting requirements set forth in (6), except that a provider's final reimbursement rate may not be more than 10% higher or 10% lower than the interim rates adopted in (3)(a); or

(b) the amounts specified in the department's Medicaid Mental Health and Mental Health Services Plan, Individual Under 18 Years of Age Fee Schedule dated July 15, 2005 which is adopted and incorporated by reference, if a provider does not comply with the cost reporting requirements set forth in (5).

(5) Each provider of therapeutic youth group home services will report allowable costs for SFY 2008 that starts July 1, 2007 using standardized forms, instructions, definitions, and timelines supplied by the department.

(a) The cost settlement will be performed on an individually licensed therapeutic youth group home basis; and

(b) Reports of allowable costs for SFY 2008 must be received by the department before August 15, 2008.

(4) through (11) remain the same but are renumbered (6) through (13).

AUTH: 53-2-201, 53-6-113, MCA

IMP: 53-2-201, 53-6-101, 53-6-111, 53-6-113, MCA

4. The Department of Public Health and Human Services (department) is proposing an amendment to ARM 37.86.2207 that would update the department's Medicaid Mental Health and Mental Health Services Plan, Individuals Under 18 Years of Age Fee Schedule to October 1, 2007 rates. The department is proposing to increase reimbursement rates for providers of therapeutic youth group home treatment services by 2.5% annually. The change in rule is necessary to implement an appropriation of funds earmarked for that purpose by the 2007 Legislature Special Session (Legislature) in House Bill 2 (HB 2). Since the use of funds is restricted by law, the department did not consider an alternative.

#### Financial Impact

The Legislature in HB 2 added \$23,785 in general funds and \$69,943 in federal Medicaid matching funds to raise the Medicaid rate for Campus Based Therapeutic Youth Group Homes (CBTGH) to be effective July 1, 2007. \$93,728 (\$23,785 general fund and \$69,943 federal) was appropriated for state fiscal year (SFY) 2008 and \$213,819 (\$54,261 general fund and \$159,558 federal) was appropriated for SFY 2009. The department is proposing a new reimbursement methodology based on a modified cost settlement process. As part of this methodology and to ensure client access the department is proposing to equalize the CBTGH reimbursement rate and bring it up to the same level paid to other therapeutic group homes (as long as they are recognized as a separate level of care), the department allocated an additional \$91,283.56 as an interim basis for SFY 2008.

The Legislature also appropriated funding for a 2.5% rate increase for each year of the biennium for SFY 2008 and 2009. The SFY 2008 start date is October 1, 2007

and the funding is \$1,580,237. The SFY 2009 start date is July 1, 2008. Total new funding for this biennium is \$3,070,706.

#### Number of Persons Affected

A total of 9,218 Medicaid youth were served by the Children's Mental Health Bureau in SFY 2007. Not all of these children received services affected by this rule change. The department does not have an unduplicated count of youth receiving these services. In addition, 13 therapeutic group home agencies, six therapeutic foster/family care agencies, eight mental health centers, and three in-state residential treatment centers will be affected by the rule change.

#### Provider Notification

A provider notice will be issued and provider letters mailed when this rule notice is filed with Secretary of State.

5. The department intends to apply the proposed amendment retroactively to claims for services provided on or after October 1, 2007. Since the rates for services will not decrease for any provider, the department believes there will be no detrimental effect.

6. Interested persons may submit comments orally or in writing at the hearing. Written comments may also be submitted to Rhonda Lesofski, Office of Legal Affairs, Department of Public Health and Human Services, P.O. Box 4210, Helena MT 59604-4210, no later than 5:00 p.m. on February 14, 2008. Comments may also be faxed to (406)444-1970 or e-mailed to [dphhslegal@mt.gov](mailto:dphhslegal@mt.gov). The department maintains lists of persons interested in receiving notice of administrative rule changes. These lists are compiled according to subjects or programs of interest. To be included on such a list, please notify this same person or complete a request form at the hearing.

7. An electronic copy of this proposal notice is available through the Secretary of State's web site at <http://sos.mt.gov/ARM/Register>. The Secretary of State strives to make the electronic copy of this notice conform to the official version of the notice as printed in the Montana Administrative Register, but advises all concerned persons that, in the event of a discrepancy between the official printed text of the notice and the electronic version of the notice, only the official printed text will be considered. The web site may be unavailable at times, due to system maintenance or technical problems.

8. The bill sponsor notice requirements of 2-4-302, MCA, do not apply.

9. The Office of Legal Affairs, Department of Public Health and Human Services, has been designated to preside over and conduct the hearing.

/s/ John Koch  
Rule Reviewer

/s/ Joan Miles  
Director, Public Health and  
Human Services

Certified to the Secretary of State January 7, 2008.